

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



LR
1926

WASHINGTON 25, D. C.

Industry Circular No. 64-17

October 21, 1964

REPORTING ORDINARY AND IDENTIFIABLE CELLAR LOSSES BY PROPRIETORS OF BONDED WINE CELLARS

Proprietors of bonded wine cellars
and others concerned:

Purpose. This circular is issued to inform you, in advance, of the provisions of a revenue ruling which will soon be published in the Internal Revenue Bulletin.

Background. Section 240.903 of the Wine Regulations provides that (1) the proprietor of every bonded wine cellar shall make a detailed report on Form 702-C, Inventory of Wine, of each inventory taken by him of all wine on storage at his wine cellar at the close of business on June 30 and December 31 of each year; (2) Form 702-C shall be attached to Form 702 for the month to which it pertains; and (3) if at other times complete actual inventories of wine are taken and losses disclosed thereby are reported on the monthly report (Form 702), Form 702-C will be prepared and forwarded with the monthly report.

Provisions of ruling. The revenue ruling holds that, unless requested to do so by your Assistant Regional Commissioner, you need not take a complete actual inventory of wine on storage or submit Form 702-C when reporting on Form 702, Monthly Report of Wine Cellar Operations, an identifiable loss sustained during the month, such as a loss in filtering a particular lot of wine.

Inquiries. Inquiries concerning this circular should refer to its number and be addressed to the office of your Assistant Regional Commissioner, Alcohol and Tobacco Tax.

Harold A. Serr

Director, Alcohol and Tobacco Tax Division